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Arizona Corporation Commission
BEFORE THE ARIZONA CORPORATION COMMISSION
DOCKETED

CARL J. KUNASEK
CHAIRMAN
JIM IRVIN
COMMISSIONER
WILLIAM A. MUNDELL
COMMISSIONER

JAN 12 2000

DOCKETED BY

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IN THE MATTER OF THE APPLICATION OF
ADVANTAGE TELECOMMUNICATIONS,
CORP. FOR A CERTIFICATE OF CONVENIENCE
AND NECESSITY TO PROVIDE COMPETITIVE
INTERLATA/INTERLATA
TELECOMMUNICATIONS SERVICES AS A
RESELLER.

DOCKET NO. T-03648A-98-0630

DECISION NO. 62234**ORDER**

Open Meeting
January 5 and 6, 2000
Phoenix, Arizona

BY THE COMMISSION:

Having considered the entire record herein and being fully advised in the premises, the Arizona Corporation Commission ("Commission") finds, concludes, and orders that:

FINDINGS OF FACT

1. On October 30, 1998, Advantage Telecommunications, Corp. ("Applicant") filed with the Commission an application for a Certificate of Convenience and Necessity ("Certificate") to provide competitive resold intrastate toll telecommunications services in Arizona.

2. In Decision No. 58926 (December 22, 1994), the Commission found that resold telecommunications providers ("resellers") were public service corporations subject to the jurisdiction of the Commission.

3. In Decision No. 59124 (June 23, 1995), the Commission adopted A.A.C. R14-2-1101 through R14-2-1115 to regulate resellers.

4. Applicant is a Delaware corporation that has been authorized to do business in Arizona since 1998.

5. Applicant is a switchless reseller and plans to resell services provided by IXC Communications.

6. On August 20, 1999, the Commission's Utilities Division Staff ("Staff") filed a Staff

1 Report.

2 7. In the Staff Report, Staff stated that Applicant had provided financial statements for
3 the period ended December 31, 1998, which showed assets of \$1.075 million and retained earnings of
4 \$517,667. Applicant reported a net income of \$464,490 for the year. Based on this information,
5 Staff believed the Applicant has sufficient financial resources to make necessary plant additions or
6 incur operating losses.

7 8. The Staff Report stated that Applicant has no market power and the reasonableness of
8 its rates would be evaluated in a market with numerous competitors.

9 9. Staff recommended that:

10 (a) Applicant's application for a Certificate should be approved without a hearing
11 subject to A.A.C. R14-2-1106.B;

12 (b) Applicant's intrastate toll service offerings should be classified as competitive
pursuant to A.A.C. R14-2-1108;

13 (c) Applicant's competitive services should be priced at the effective rates set
14 forth in Applicant's tariffs and the maximum rates for these services should be the
15 maximum rates proposed by Applicant in its tariffs. The minimum rates for applicant's
competitive services should be Applicant's long run incremental costs of providing
those services as set forth in A.A.C. R14-2-1109; and

16 (d) Applicant should be required to comply with the Commission's rules and
17 modify its tariffs to conform with the rules if it is determined there is a conflict
between Applicant's tariffs and the Commission's rules.

18 10. By Procedural Order dated September 14, 1999, the Commission set a deadline of
19 October 29, 1999, for filing exceptions to the Staff Report; requesting that a hearing be set; or
20 requesting intervention as interested parties.

21 11. No exceptions were filed to the Staff Report, nor did any party request that a hearing
22 be set.

23 CONCLUSIONS OF LAW

24 1. Applicant is a public service corporation within the meaning of Article XV of the
25 Arizona Constitution and A.R.S. §§ 40-281 and 40-282.

26 2. The Commission has jurisdiction over Applicant and the subject matter of the
27 application.

28 3. Notice of the application was given in accordance with the law.

1 4. Applicant's provision of resold intrastate toll telecommunications services is in the
2 public interest.

3 5. Applicant is a fit and proper entity to receive a Certificate for providing competitive
4 intrastate toll telecommunications services as a reseller in Arizona.

5 6. Staff's recommendations in Findings of Fact No. 9 are reasonable and should be
6 adopted.

7 **ORDER**

8 IT IS THEREFORE ORDERED that the Application of Advantage Telecommunications,
9 Corp. for a Certificate of Convenience and Necessity for authority to provide competitive resold
10 intrastate toll telecommunications services shall be, and the same, is hereby granted.

11 IT IS FURTHER ORDERED that Advantage Telecommunications, Corp. shall comply with
12 the Staff recommendations set forth in Findings of Fact No. 9.

13 IT IS FURTHER ORDERED that the modified tariffs shall be filed within 30 days from the
14 effective date of this Decision.

15 IT IS FURTHER ORDERED that this Decision shall become effective immediately.

16 BY ORDER OF THE ARIZONA CORPORATION COMMISSION.

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19 CHAIRMAN COMMISSIONER COMMISSIONER

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21 IN WITNESS WHEREOF, I, BRIAN C. McNEIL, Executive
22 Secretary of the Arizona Corporation Commission, have
23 hereunto set my hand and caused the official seal of the
Commission to be affixed at the Capitol, in the City of Phoenix,
this 12th day of January, 2000.

24 
25 BRIAN C. McNEIL
26 EXECUTIVE SECRETARY

27 DISSENT _____
28 JR:DAP

1 SERVICE LIST FOR: ADVANTAGE TELECOMMUNICATIONS, CORP.

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